

Statement of
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before the
House Agriculture Committee
Subcommittee on General Farm Commodities
Hearing
Valdosta, Georgia
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Mr. Chairman, thank you for the opportunity to provide remarks on national farm policy and the next farm bill. My name is Wavell Robinson. I have farmed since 1964 and produced cotton in each of those years. I operate a diversified cotton farming operation with my son and we produce peanuts, tobacco and vegetables in addition to cotton.

I am honored to join others in welcoming you and the members of the subcommittee to Georgia. I am proud to be a constituent of Congressman Sanford Bishop and thank him for working with you and your colleagues to schedule a hearing in Georgia.

Mr. Chairman, the cotton industry in Georgia has experienced resurgence. As recently as 1986, acreage planted to cotton was slightly over 200,000 acres and production totaled 185,000 bales. In 2005, we planted 1.2 million acres and produced over 2.1 million bales. Georgia, Arkansas and Mississippi produced virtually the same amount of cotton in 2005 sharing the title as 2nd largest cotton producing states next to Texas. Unfortunately, we have had to adjust to the loss of a significant portion of our domestic textile manufacturing base due to a flood of cheap apparel imports. This year China will purchase more US cotton than the US textile industry, but China will also supply over 30% of US textile and apparel imports and the share is rapidly growing. We have to adjust to the need to export up to three-fourths of our annual production, but at the same time we want to do everything possible to preserve what is left of our domestic textile manufacturing base.

The principle reasons for the resurgence in cotton production in Georgia are the successful eradication of the boll weevil and an effective farm program. That is why Georgia cotton producers strongly support the current farm bill. One of the most important provisions in the legislation was one that allowed us to update our bases and yields to reflect our recent planting and production history.

It is imperative that current law be allowed to operate, without major modification, through its scheduled expiration with the 2007 crop so producers can continue to make responsible, market driven investment, cropping and marketing decisions. We appreciate your support for this position.

Mr. Chairman, as you and your colleagues begin consideration of the next farm bill; we believe it is critical to preserve adequate budget authority necessary to craft effective farm policy. We understand that the budget deficit you face today is very different than the surplus that was available during the last farm bill debate, but we urge Congress to protect the budget baseline for all aspects of the farm bill.

In addition to the budget considerations, we understand that the outcome of the current Doha trade negotiations will very likely impact the makeup of our next farm bill. In fact, several organizations have expressed support for extension of the current law under certain circumstances. If, for example, negotiations in the Doha round have not been completed to the point that the implications for future farm policy are clear by late summer, we would support continuation of the current farm bill for at least one additional year. Given our significant financial investment in land and equipment and our alternative cropping alternatives, we need to know what policy will be in place well in advance of planting a crop. Uncertainty is disruptive and costly.

The cotton industry is very concerned about the attempts by some to single out cotton for treatment in the WTO that is different from the remainder of agriculture in both level of reduction and timeliness of implementation. We were disappointed by the

language in the recent Hong Kong Ministerial text. We continue to urge U.S. negotiators to insist that the negotiations be conducted as a single undertaking for all programs regarding levels of domestic support. We strongly believe that there should not be any significant reductions in US domestic support unless accompanied by meaningful increases in market access for all US products.

We are also concerned that certain countries, including India, China, Pakistan and Brazil, which are highly competitive in world markets, not be allowed to utilize special and sensitive product designations and safeguards, designed to assist the poorest of the poor, as a way to avoid committing to significant increase market access. The US cotton industry has supported the Doha round but we will not be able to recommend that Congress support an agreement that requires cotton to accept deeper and quicker reductions in domestic support; that does not provide significant, meaningful increases in market access and that allows countries like Brazil, China, Pakistan and India to declare themselves less developed for the purpose of evading compliance.

Given the challenges of the budget and trade policy, we believe the current structure of farm programs should serve as the blue-print for the new farm bill. Current law is balanced between commodities, nutrition, conservation and research and has provided a stable and effective national farm policy for this country. The combination of direct and counter-cyclical payments provide an effective means of income support, especially in periods of low prices without distorting planting decisions. We strongly support the continuation of the marketing loan without limitations so U.S. commodities can be competitive in international markets regardless of the type of subsidy we face. The current law also contains sufficient planting flexibility provisions that allow producers to react to market signals.

In addition to sound farm program provisions, commercially-viable operations must be eligible for program benefits. It is important to recognize that the size and structure of farming operations varies by region and cropping pattern. A significant majority of farmers in this area strongly oppose all forms of payment limitations.

Limitations are particularly unfair to irrigated operations and to operations with certain high value cropping combinations, for example, cotton and peanuts in Georgia or cotton and rice in Mississippi. At a minimum, we urge Congress to maintain current payment limits and eligibility requirements.

Conservation programs should continue to be an important component of farm policy. These programs should be operated on a voluntary, cost-share basis and can be a valuable complement to commodity programs, but they would not make an effective substitute for the safety-net provided by commodity programs. The Conservation Reserve Program, the Conservation Security Program, and Environmental Quality Incentives Program are proven, valuable ways to promote sound conservation and environmental practices through cost-share, incentive-based approaches.

As domestic consumption declines, export markets are increasingly important to Georgia farmers. We support continuation of the successful public-private partnership fostered by export market promotion programs including the Market Access Program and the Foreign Market Development program. We support continuation of a WTO-compliant export credit guarantee program.

Research and crop insurance are also important to the future of our industry. We are particularly frustrated that the Risk Management Agency has not been more successful in responding to our need for affordable, higher levels of crop insurance coverage. I hope RMA will be willing to re-evaluate and improve the range of products available to us.

In conclusion, Mr. Chairman, I will briefly address specialty crops. Recently some groups have made it clear that they want to be a significant part of the next farm bill through increased earmarked funding for conservation, nutrition, research and block grants. Our challenge is to identify funding for these new or enhanced programs without having to substantially reduce current levels of support for other programs. I want to be clear. The cotton industry does not oppose programs that benefit specialty crops because

many of us produce specialty crops. We look forward to working with the specialty crop interests and Congress to address their concerns.

The U.S. cotton industry understands the value and benefits of an effective promotion program. Because of advertising campaigns financed with grower monies, the average U.S. consumer buys 35 pounds of cotton textiles and apparel each year. In the rest of the world, cotton consumption is only 6 pounds per person. Promotion works, and it is imperative that the authority for farmers to operate self-help, self-financed commodity promotion programs continue.

Mr. Chairman, we recognize that Congress will face many challenges from many different interests in crafting new farm legislation. I would emphasize that adequate spending authority, effective trade policy, and the current farm program form a solid foundation for the next legislation. The cotton industry will work closely with you and your colleagues to ensure that our country maintains an effective national farm policy.

Thank you again for the opportunity to present these remarks.